



Increase in Cryptocurrency Mining in Region 3

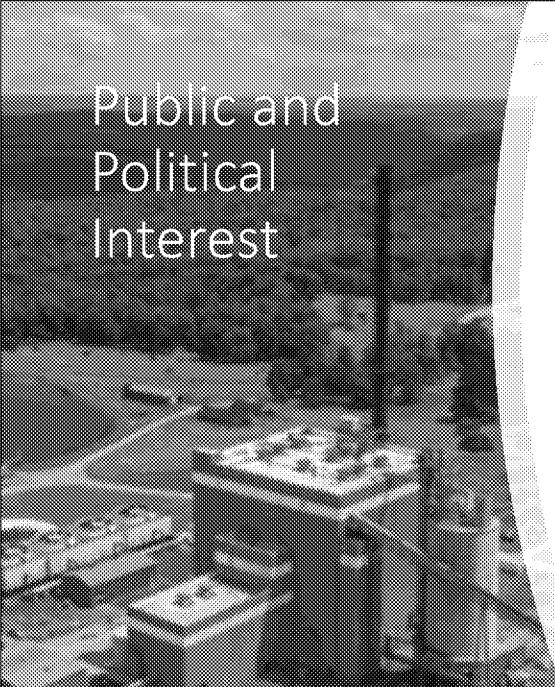
April 7th, 2022

Region 3's Air and Radiation Division, Enforcement and Compliance
Assurance Division, and Office of Regional Council

What Is Cryptocurrency Mining?



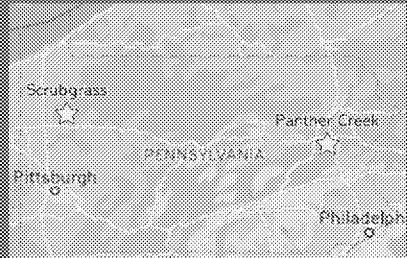
- Common example: Bitcoin mining
- Banks of computer hardware solve algorithms resulting in the acquisition of digital currency
 - This uses large amounts of electricity
- One Bitcoin is currently worth approximately \$40,000
 - Prices are extremely volatile



Public and Political Interest

- PA companies were among a group of Bitcoin mining companies who received letters from a group of lawmakers led by Senator Elizabeth Warren on January 27, 2022, enquiring about their electricity use and projected carbon emissions.
- On January 18, 2022, Earth Justice and Penn Future sent a letter to PADEP, with EPA R3 ARD and the Office of the Governor of Pennsylvania included, requesting that several avenues for regulating or curtailing the emissions of cryptocurrency mining be pursued.

Instances in Region 3: Power Plants



Stronghold Digital Mining currently owns two Pennsylvania waste coal fired power plants, Scrubgrass and Panther Creek and runs them as Bitcoin mining operations.

- Stronghold is currently in negotiations to buy a 3rd facility.

The Mercury and Air Toxics Standards (MATS) are normally a major constraint for power plant air emissions.

- MATS applicability depends in part on if a plant sells power to the grid.

Ex. 5 Deliberative Process (DP)

Instances in Region 3: Wellpad Sites



Beginning in October 2021, Big Dog Energy began operating approximately 30 electrical generators at the site of a natural gas wellpad in Clearfield County PA for the purposes of crypto mining

- No air permit was obtained
- PA sent a notice of violation January 6, 2022

Ex. 5 Deliberative Process (DP)

- PADEP seeks EPA input on their response to this operation and others

Ex. 5 Deliberative Process (DP)

Enforcement
Concerns



Ex. 5 DP / Ex. 7(A)

▼ Summary of Concerns



Older power generating sources, often coal fired, may now be utilized for crypto mining

Ex. 5 Deliberative Process (DP)

Crypto mining is a new, highly scalable, and mobile industry.

Ex. 5 Deliberative Process (DP)



Questions?

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